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3809/UT055
UT-055-91-01P

DIVISION OF
OIL GAS & MINING

December 3, 1991

✓ Dexter Anderson
Attorney At Law
Star Route Box 52
Fillmore, UT 84631

RE: Reclamation Bond; Red Dome Mine Plan of Operations
UT-055-91-01P

Dear Mr. Anderson:

As Rody Cox discussed with you on November 20, 1991, the Bureau of Land Management has revised its policy for bonding of plans of operations under 43 CFR 3809. All 3809 operators with approved plans of operations are required to have a bond for those operations calculated by the Bureau of Land Management. The policy requires that bonds for all plans of operations be evaluated by January 1, 1992. We are not aware of any reclamation bonds for your operation that are being held either by the Bureau of Land Management or the State of Utah, Division of Oil, Gas and Mining. You will probably also be contacted by UDOGM concerning this matter.

Although calculated independently, the Bureau can accept bonds posted with the State of Utah, Division of Oil, Gas and Mining, if the State bond is within 75% of the Bureau's estimate. If the State bond is less than 75%, a supplementary bond shall be required. Bonding by the Bureau cannot exceed \$2,000 per acre for mining operations, except for cyanide operations and for operators who have established a record of noncompliance.

Your assistance is requested in the calculation of a reclamation bond to be lodged for your mining operation. Please submit an estimate of reclamation costs for your mining operation. This estimate should cover costs to lands which may be disturbed in the foreseeable future and lands which have been disturbed since 1981. The information should be broken down into separate estimates for the reclamation of each distinct area of activity including roads, open pits, waste dumps, mill sites and other surface disturbances covered under Red Dome's Mine Plan of Operations. Individual estimates are requested for equipment, operating costs, labor and project overhead. This information is needed for each mine unit or other logical unit. If possible we would like this information by December 23, 1991.

Please feel free to call Rody Cox at (801) 743-6811 if you have any questions concerning this letter.

Sincerely,

Dave Henderson
Area Manager

cc: Michael Jackson, RDO
D. Wayne Hedberg, UDOGM

RC:cbf